Chapter 7

Summary, Conclusions and Suggestions

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Summary, Conclusions and Suggestions

6.5. Summary:

The study examined the 'Role of Central Bank of India in the development of Ahmednagar district.' In the subsequent sections of this chapter, we shall discuss the conclusion derived from the present study. Further the researcher would come up with some suggestions based on the study. However, before that it would be suitable to give a brief summary of the previous chapters of the study.

Chapter First dealt with introduction of the subject, methodology adopted for research work and review of relevant literature. This research focused on the role of Central Bank of India in development of Ahmednagar district with reference to 'Agriculture' and 'Business' specially. The Central Bank of India is the 'Lead Bank' with 61 branches (44 rural, 16 semi urban and 1 urban) in the district. For the purpose of primary data, the researcher has selected 20% branches (i.e. 12) of Central Bank of India on purposive sampling method including which, 6 branches from north and 6 from south Ahmednagar district with variety of geographical social, climatic characteristics. The study pertains to Agriculture and Business sectors, 30 borrowers from each branch (30 x 12=360 borrowers) were selected on random sampling basic. 180 borrowers from Agriculture sector and + 180 borrowers from Business sector. The study was based on primary as well as on secondary data. For
the analysis of data simple methods like percentage, proportion ratio were used.

Chapter Two, focuses on 'Banking in India and its role in the development.' Indian banking has played vital role in the Indian economy and overall development of the country. It focused on the detailed growth of Indian Banking. Banking had existence, from old times in India. The trading and banking operations were started with the 'establishments of East India Company'. The financial development was boosted with the adoption of social control over banks in 1967 and also with the nationalization of 14 major banks in 1969 and 6 more in 1980.

Afterwards banking sector expanded at a fast pace and was really successful in achieving mass participation of public. Financial and banking sector reforms were initiated in 1992, which were followed by other phases of reforms in 1998 and 2008. The overall banking in India has contributed in development process through, capital formation, branch expansion, deposit mobilization and credit creation priority sector lending, agriculture and industrial finance, financial inclusion. The term development is wide and has many faces. The improvement in 'quality of life' of people is development. The role of banking in development was discussed in this chapter.

Chapter Three, the detailed information regarding history, geography, demography, social infrastructure, co-operative, industrial profile and banking sector profile of Ahmednagar district was provided. The network of banks, block-wise branches and bank-wise position of deposits and advances in Ahmednagar district was also examined.

In Chapter Four, we dealt the information related to the formation and progress of CBI. It gave detailed account of the
establishment, growth, role as 'Lead Bank' and progress of CBI. The CBI was established in 1911, by Sir Pochkhanwala. In its progress, CBI has imprinted various revolutionary steps. CBI was India's Leading bank at the time of nationalization in 1969. In 1969, under Lead bank scheme, CBI got the responsibility of 48 districts in India. This bank has been performing the same for last 40 years. Ahmednagar is one of the districts, where CBI has its wide network to perform the 'Lead Role'.

In 2010-11, CBI completed 100 yrs of its banking services and expanded itself with 3976 branches, 34000 employees, 1478 ATMs and more than 3 crore customers. The chapter further focused on the progress of CBI, business parameters trends of credit, of deposits of CBI, actual position, NPA, achievement and compatibility of CBI.

The role of CBI has been discussed in two segments viz-

- agriculture and business sector in **Chapter Five.** It is based on the secondary data collected from various sources. In agriculture sector, CBI's schemes to agriculture, finance, implementation achievement, recovery performance in agriculture sector in Ahmednagar district have been discussed. The position of agriculture, cropping pattern, production of crops, allied activities, changes in cropping pattern, development of allied activities and the role of CBI in these aspect has been discussed in detail. Business is a wide term which includes all activities like manufacturing, trading (purchase and sale of goods) and services. In business sector, the schemes of CBI for business activity, finance by CBT implementation, achievement, recovery performance of CBI for business activities in Ahmednagar district, like registered factories, M.I.D.C.s, Industries, trading activities, services and its employment has been discussed. The Central Bank of India's role in business sector was discussed in this chapter.
Chapter Six, provides the analysis of data regarding agriculture and business sector borrowers and branch managers of selected 12 branches of CBI. In agriculture sector, points about farmers, farming and CBI's role are discussed. It consists of classification of farmers as per their age, gender, annual income, education, background, landholding, water sources, crops, allied activities. In business sector, points about businessmen are discussed. It consists the classification of borrowers as per business category (including manufacturing, trading and services) and their age, gender, annual income, education, business profile, background. Regarding CBI, some points were discussed like loan, amount, year, loan sanction process, time required, behavior of executives, utilization of loan, repayment, problems, regulation of loan. Increase in annual income, production, improvement in standard of living are the results of development or improvement in quality of life of borrowers. The contribution of CBI in agriculture and business sector was discussed in the subsections of the thesis.

The bank executives views regarding CBI, policies, schemes, loan process, utilization of loan, NPA of CBI ATM, priority sector lending, performance of recovery, communication, co-ordination, technology were also discussed in this chapter.

Chapter Seven, is the extract of the research work, which consists of summary, Hypotheses testing, conclusion and suggestions.

6.6. Testing of Hypotheses:

Hypothesis No.1 -
"The role of CBI as a 'Lead Bank' in Ahmednagar District is satisfactory."
The researcher is interested in investigating the role of CBI as the 'Lead Bank' in Ahmednagar district, the Hypothesis put for testing states the CBI's responsibility as 'Lead Bank' in Ahmednagar district.

As per the Lead Bank scheme, original objectives of the 'Lead Bank' are discussed in Chapter 4(point 4.5). The high level committee Report, under the Chairmanship of Usha Thorat (2009) (point 3.1) noted that the Lead Bank scheme has largely achieved its original objectives of bringing about overall improvement in Branch expansion, mobilization of deposits, lending of priority sector, especially in rural / semi urban area.

The Committee also mentioned that, the population per branch in the country has declined from 63000 to 16000 and in rural / semi urban area from 82000 to 17000 during the period of June 1969 to March 2007.

In case of Ahmednagar district, CBI received 'Lead Bank' responsibility in 1969. CBI performed initial survey of the Ahmednagar district and adopted branch expansion program. In 1972, CBI had 10 branches in the district, which increased to 61 branches in 2010-11. (i.e. 6 times increase in branches). 60 branches of CBI are serving in rural and semi urban area. It means that the objective of branch expansion is fulfilled.

In case of deposit mobilization, CBI has spectacular results. Table 4.7 reveals that deposits of CBI in Ahmednagar district has increased from Rs. 162 crores in 2001-02 to Rs. 834.69 crores in 2010-11 (i.e. 5 times increase in 10 years). It means CBI has mobilized it's deposits.

In case of lending to priority sector, Table 5.2.7 and Table 5.3.14 reveals that CBI is providing finance as per priority
percentage. Table 6.4.6 reveals that 83.34 percent bank executives are lending as per priority percentage (exception of Ahmednagar and Nagapur branches).

Table 6.2.16 and 6.3.14 reveals that 93.89 percent farmers and 57.22 percent businessmen are aware of CBI being a 'Lead Bank' of the district.

Table 6.2.20 and 6.3.18 indicates that 70 percent farmers and 37.22 businessmen have selected CBI for loan because it is 'Lead Bank' of Ahmednagar.

The above analysis proves that the Central Bank of India has performed its role as 'Lead Bank' in Ahmednagar district very effectively.

**Hypothesis No. 2:**

"Central Bank of India has played a supportive role in the development of agriculture sector in Ahmednagar district".

The researcher is interested in finding out the supportive role of CBI in agriculture sector of Ahmednagar district.

For testing of hypothesis the term 'supportive role' means, bank's financial support to agriculture sector for it's improvement was examined.

As per Table 3.9 and Table 3.10 the A.D.C.C. Bank Ltd. is playing major role in the agriculture sector of Ahmednagar district and other banks are playing supportive role with their branch network.

CBI has 61 branches in the district, out of which 60 (44 rural + 16 semi-urban) branches are catering to the needs of agriculture sector (i.e. 98.36 percent branches).
Table 5.2.2 shows the total Credit Plan of CBI to agriculture sector for 10 years (2001-02 to 2010-11). The plan figures are increasing every year. Table 5.2.8 and 5.2.9 show the Loan distributed by CBI for 10 years (2001-02 to 2010-11). It reveals that, CBI is providing finance to agriculture sector.

Table 5.2.10 reveals that CBI has financed to Agriculture as well as allied activities. The finance to allied activities increased in large scale in 2010-11 specifically to support agriculture.

Table 5.2.11 and 5.2.12 shows CBI's finance to agriculture and allied sector (sector wise).

In Ahmednagar district, allied activities are developing in a large scale as supportive to agriculture sector.

The primary data reveals that 79.44 percent farmers are engaged in dairy activity along with agriculture (table 6.2.14). Table 6.2.32 reveals that the standard of living of farmers has also improved.

93.33 percent farmers say that CBI has played important role in the development of agriculture sector. Hence, in this way CBI has supported agriculture sector development in Ahmednagar district.

Therefore, the Hypothesis 'CBI has played a supportive role in agriculture sector development of Ahmednagar district' is proved.

**Hypothesis No. 3 :**

"**Central Bank of India has played important role in the development of business sector in Ahmednagar district".**

For the purpose of analysis of the Hypothesis the term 'business sector' means sector includes all activities of manufacturing (goods), trading (purchase and sales of goods) and services.

Points No. 5.3.2, 5.3.3 denote that CBI has implemented various schemes of finance to business sector. Table 5.3.14 reveals
the credit plan of CBI to business sector for 10 years (2001-02 to 2010-11). Both SSI and Trade and other priority sector have been given equal weightage. The plan figures seem to be increasing every year. Table 5.3.15 and 5.3.16 show the classification of SSI and Trade and other priority sector finance categoriwise.

Table 5.3.17 reveals that SSI sector finance of CBI is not upto mark in 10 years (2001-02 to 2010-11). It is indication of the poor performance of CBI in the business sector of the district.

Table 5.3.18 reveals that the financial support of CBI to Trade and other priority sector is average. In 2005-06, 2009-10, 2010-11, CBI's 30.40 percent, 42.80 percent and 39.16 percent performance respectively. But during the remaining years CBI has scored more than 60 percent of performance in finance.

Primary data in Table 6.3.13 reveals that 48.34 percent businessmen have borrowed co-operative societies loan other than CBI loan and 40.56 percent businessmen have preferred other banks for loans. It means that businessmen have to search for other finance sources.

Table 6.3.23 reveals that 31.11 percent business sector borrowers are not satisfied with the loan sanctioned by CBI.

Therefore, the Hypothesis, 'CBI has played important role in business sector finance in Ahmednagar district ' is not proved.

6.7. Conclusions :

The main conclusions of the present research work are classified into six parts. They are elaborated in the subsequent sections -
A) General conclusions:

1. The banking activity started in eighteenth century in India.

2. The history of Indian Banking can be segregated into three phases viz. early phase upto 1969, nationalization phase upto 1991 and new phase of financial and banking sector reforms.

3. Upto 1969, Indian Banking sector was limited to Urban and Semi-urban area due to which priority sectors like agriculture, SSI were neglected. Nationalization has played dynamic role in the economy of India.

4. After the nationalization and Lead Bank scheme, branch expansion gained momentum during last 40 years. Total number of branches of commercial banks in India increased from 8260 in 1969 to 82408 in June 2009 (10 times increase) and rural branches 1860 in 1969 to 31699 in June 2009 (17 times increase). Population per branch decreased from 63800 in 1969 to 14000 in 2009.

5. The first two phases of reforms introduced many more products and facilities in banking sector in India. The banking sector reforms in India has transformed banking system from unprofitable, inefficient system to a competitive system. The Raghuram Rajan Committee has articulated 'GenNext' reform, related to financial inclusion, stability and growth within macroeconomic framework and to fix the problems of financial sector.

6. Development is a continuous process of qualitative and quantitative changes in the country which improves the
standard of living of people. For the improvement of quality of life, development process is necessary. Banking in India has performed an important role in the development through capital formation, branch expansion, deposit mobilization, credit creation, priority sector lending, agriculture and industrial finance.

7. Ahmednagar district is geographically the largest district in Maharashtra. CBI is the lead bank in the district and total number of bank branches are 553 (384 rural, 117 semi-urban and 52 urban). Total number of commercial bank branches are 258 (127 rural, 90 semi-urban and 41 urban). 69.43 percent branches are rural and 21.15 percent branches are semi-urban. More than 90 percent banking network is serving the needs of rural and semi-urban area population.

8. In Ahmednagar district, there are 24 commercial banks and have deposits of Rs. 508285 lakh, advances of Rs. 318587 lakh on 31\textsuperscript{st} March 2010. Credit to deposit ratio is 62.68 percent.

   Total deposits of all banks are Rs. 850231 lakh and total advances Rs. 501817 lakh, with 59.02 percent C/D ratio as on 31\textsuperscript{st} March 2010.

B) Central Bank of India

1. The history of commercial banking in India has its origin in eighteenth century. In the initial years of nineties, 'Swadeshi' movement was on wave in India. CBI being established on 21\textsuperscript{st} Dec 1911, was one of the important banking venture during that period.
2. The progress of CBI had witnessed various important decisions like establishment of separate ladies department for lady customers (1924), home savings safe accounts, safe deposit vaults, insurance scheme (1932), executor and trustee dept., recurring deposits scheme, central card for the first time in India.

3. At the time of nationalization, in 1969, CBI was on first position amongst all the nationalized commercial banks, with Rs. 1750 lakh amount compensation.

4. On 21\textsuperscript{st} Dec. 2011, CBI completed its 100 years banking life, with 3976 branches, 1478 ATMs, more than 34000 employees and 3 crore customers all over the India.

   Former Prime Minister Pandit Jawaharlal Nehru was the customer of Allahabad branch of CBI.

5. All the branches of CBI are in core banking. CBI provides technological avenues like Internet banking, mobile banking, online trading, SMS alerts in India.

6. CBI has 12 colleges for employee training, out of which 9 are for clerical and subordinate staff and 3 are for executives. Every employee amongst 34000 is getting training at least once in a year for knowledge updation.

7. Out of 3976 branches of CBI, more than 63 percent branches are in rural and sub urban area. Table 4.5 shows the continuous increase in branches of CBI from 2003-04 (3225 branches) to 3976 branches in 2009-10.

8. Business parameters of CBI show continuous increase in business. Capital/ reserves and surplus increased from 2424 crores in 2002-03 to 3790 crores in 2006-07,
Deposits increased from 51156 crores in 2002-03 to 188226 crores in 2010-11. Net NPA ratio shows decrease from 7.02% in 2003-04 to 1.69 percent in 2009-10. CBI has performed very well in its business activity.

9. The 'Financial Express' group has viewed CBI on 13th rank in all bank ranking in India in 2009-10. The parameters wise ranks of CBI was strength and soundness 16, Growth 5, profitability 26, Efficiency 24, Credit and Quality 6 in all bank ranking in India.

10. CBI is compatible with Rs. 1,62,10,747 lakh deposits, Rs. 1,05,38,349 lakh advances, Rs. 1,82,67,162 lakh total assets, Rs. 1,05,823 lakh Net profit and Rs. 72,700 lakh NPA as on 31st March 2010, in India.

11. NPA of CBI shows continuous decrease from 2002-03 7.02 percent to 1.69 percent in 2009-10 in India which is satisfactory decrease in NPA. Sector wise NPA of CBI on 31st March 2011 was 17.5 percent agriculture, 28.7 percent Micro and small enterprises, 9.4 percent other priority, 55.6 percent total priority, 44.4 percent non-priority sector. Amount of NPA is Rs. 2395 crores in India.

C) Lead Bank Scheme and CBI:

1. Dr. D. R. Gadgil study group 1969 appointed by National Credit Council had recommended adoption of an area approach because of the inadequate presence of commercial banks in rural areas. Nariman committee had

2. The Lead Bank Scheme was introduced with the objectives to remove regional imbalances, to identify unbanked-under banked area, to estimate credit gaps, to develop rapport with financial and non-financial institutions and to effect structural and procedural changes in banking. In 2009, the High Level Committee recommended to broaden the scope of scheme to cover the financial inclusion.

3. The Lead Bank Scheme was implemented through six different phases. All the districts of country were allotted amongst banks for Lead role. Initially, in 1970, 338 districts were allotted to 25 banks, which in March 2009, increased to 622 districts allotted to 26 banks in India.

4. Under the Lead Bank Scheme, CBI was allotted with 46 district in India in 1970 which, in 2009, increased to 48 district. Out of which 7 districts were from Maharashtra viz- Akola, Amaravati, Ahmednagar, Buldhana, Dhule, Jalgaon, Yeotmal and Aurangabad (Jointly with Bank of Maharashtra).

5. In Ahmednagar district, CBI is working as the 'Lead Bank' since 1969. In 1972, there were 10 branches of CBI in Ahmednagar district, which increased to 61 branches (6 times increase) in 2010-11. It is a result of the branch expansion program of Lead Bank Scheme.

6. CBI is coordinating all banks and government agencies, implementing Govt. sponsored scheme, NABARD schemes as 'Lead Bank' in Ahmednagar
district. CBI prepares District Credit Plan every year and also monitor the plan, implementation, progress through District Level Consultative Committee Forum.

7. In Ahmednagar district, CBI's trend of C/D ratio increased upto 2004-05 and afterwards decreased every year. Deposits show continuous increase from 2001-02 to 2010-11. As an average rate of increase is 41.52 percent. Advances are also showing continuous increase and average rate of increase is 20 percent. However, C/D ratio decreased gradually after 2004-05.

8. In Ahmednagar district in 2011, CASA (Current And Saving) increased by Rs. 67.31 crores, advances increased by Rs. 23.12 crores, Net profit increased by Rs. 4.32 crores as compared to 2010 and NNPA decreased to 12.80 which is satisfactory picture in Ahmednagar district.

D) Central Bank of India and Agriculture Sector

1. Ahmednagar district consists of rural population with agrarion economy. Agricultural geographical area is 13116900 ha. And net sown area is 1214543 ha. 6.8 lakh families are in farming in the district, out of which 32.45 percent farmers have less than 2 ha. land, 57.89 percent have 2-10 ha. land holding and 9.66 percent have more than 10 ha. land.

2. CBI has 61 branches in Ahmednagar district, out of which 44 rural and 16 semi urban branches (60 branches) provide finance to agriculture sector.
3. CBI has special schemes for agriculture sector which include the schemes like Cent Kisan Credit Card, Cent Kisan Gold Card, Cent Gold Loan, Cent Tractor, Cent Warehouse receipt. CBI is implementing Govt. sponsored schemes like Drip and Sprinkler, Crop Insurance, Agriclinic / business, schemes for allied activities, scheme for onion shed, Medicinal Plants. CBI implements schemes of NABARD for agriculture sector in Ahmednagar district.

4. District Credit Plan of Ahmednagar district shows that the maximum weightage has been given to agriculture sector (i.e. more than 45%) in 10 years from 2001-02 to 2010-11. The Credit Plan shows that every year there is an increase in plan figure percentage, except 2002-03 and 2004-05. Crop loan segment show maximum increase in 2008-09. Agriculture Term Loan shows maximum increase in 2005-06.

5. Under District Credit Plan, loan are distributed to 'Crop Loan' and 'Agriculture Term Loan' sectors. In crop loan and ATL loan distribution target was not achieved by the banking institutions in Ahmednagar district in 10 years.

6. Out of total DCP, CBI has contributed 7 percent to 10 percent in Ahmednagar district, remaining part was shared by other 26 banks implementing the DCP in the district for 10 years (2001-02 to 2010-11). As an individual bank and as compared to branches percentage of contribution is satisfactory.
7. CBI's Credit plan for agriculture sector has been increasing during last 10 years. In 'Crop Loan' segment it increased from Rs. 42,814 in 2001-02 to Rs. 2,89,173 in 2010-11. In ATL, from Rs. 1,59,402 in 2001-02 to Rs. 10,38,557 in 2010-11.

8. Actual loan distributed by CBI in 'Crop Loan' was always less than the targeted amount except 2002-03 and 2003-04.

In ATL, loan distribution target was not achieved by CBI in Ahmednagar district in 10 years.

9. CBI's finance to agriculture is divided into 'agriculture' and 'allied activities'. The weightage on the allied activities was less than agriculture. However in 2010-11 the bank changed the policy and the finance provided to allied activities was more than that of agriculture.

10. Under agriculture sector, CBI financed Crop Loan, Minor Irrigation, Land Development, Farm Mechanization, Plant and Horticulture and Other. Out of which, Crop Loan, Minor Irrigation and Farm Mechanization has maximum finance of CBI.

11. Under allied activities CBI financed Dairy Development, Poultry Farms, Sheep-Goat-Pig rearing, Fishery, Forestry and Storage. Out of which, Dairy, Storage, Sheep-Goat-Pig rearing has maximum finance of CBI.


13. Cropping pattern of Ahmednagar district (1960-61 to 2009-10) has changed in last 3-4 decades. Traditional
cropping pattern was of grains-pulses-oilseed's combination, which changed to new cash crops like sugarcane and cotton. Farmers have adopted high yield crops and horticulture crops in the district. There are various reasons like irrigation, technology, finance facility, agri-marketing facility, climate change.

14. The production of major crops shows that cash crops like sugarcane production has increased with tremendous speed than that of the grain, pulses and oilseeds.

15. Livestock (Animal Husbandry) data shows that, (1960-61 to 2009-10) number of animals (specially milking animals) increased and poultry birds increased in the district.

16. Dairy activity was developed in the district in last decades. Milk production, no. of dairy co-operative societies, cold storage units, milk processing plants were developed in a large scale in the district. Ahmednagar is the leading district in milk production in Maharashtra state. Dairy activity has helped farmers as allied business. Rural youth is involved in dairy activity, hence it has created a type of rural self employment.

17. CBI has performed important role in agriculture sector through, agricultural finance, allied activities finance as per changing cropping pattern, infrastructure, to self employment in the district.

18. 180 farmers were randomly selected from 6 branches of CBI in Ahmednagar district. Out of which 76.67% were
men and 23.33% were women. These are the borrowers of CBI. It means various female members are land holders in farming families.

19. 76.67 percent farmers are from 31-45 yrs age group. 14.44 percent are between the age group of 18-30 yrs, 6.67 percent from 46-60 yrs and 2.22 percent are above 61 yrs age group. It means youngsters (18-45 yrs) are also involved in agriculture activity in large scale.

20. Annual income category shows, 34.44 percent farmers are in the income group between Rs. 50,000 to Rs. 1.50 lakh, 30.55 percent are having the income of 1.5 to 3 lakh, 20.50 percent belong to upto Rs. 50,000. Hence maximum farmers (80%) are getting less than Rs. 3 lakh annual income.

21. 39.50 percent farmers are upto 10th education. 27.30 percent are educated upto 12th. 22 percent are graduate. Highly qualified are very less in number.

22. 95.56 percent farmers have ancestral agricultural land and it is traditional activity. Their forefathers were also involved in farming.

23. Land holding - 38.89 percent farmers hold upto 2.5 acres land, 38.33 percent farmers hold 2.5 to 5 acres land and 16.11 percent farmers hold 5 to 10 acres land. It means that in Ahmednagar district land holding of farmers is low (2-3 acres).

24. Ahmednagar is a drought-prone district. 63.88 percent farmers have irrigated land. It means farmers are using technology for the irrigation of land.
62.22 percent farmers use wells, 24.44 percent use river and 3.89 percent use canal for water sources. Maximum farmers depend on wells for irrigation.

25. 37.77 percent farmers use sprinkler irrigation, 19.44 percent farmers use drip system and majority of the farmers 42.77 percent use traditional methods of irrigation.

26. 31.11 percent farmers produce vegetables, 31.11 percent farmers take combination of different crops, 12.22 percent fruits, 19.44 percent produce sugarcane and cotton and 6.11 percent produce grain. It reveals that majority of farmers are producing vegetables, fruits, sugarcane, cotton and grain producers are very less in number.

27. Majority of farmers (52.22 percent) do not have crop insurance.

28. 79.44 percent farmers run dairy as allied activity, while 3.33 percent run poultry, 5 percent goat rearing, 5.56 percent other and 6.67 percent multiple activities. It reveals that maximum farmers are involved in dairy activity in the district.

29. The crop storage infrastructure is available with 61.11 percent farmers.

30. 93.89 percent farmers are aware of the Lead Bank role of the CBI and various schemes of CBI because it is a lead bank.

It means rural borrowers are also aware of the lead bank scheme, its facilities, schemes and advantages.
31. Maximum farmers got the information about bank from their relatives (67.22 percent) and through gram panchayat (18.33 percent).

32. Financial assistance from the CBI is a major source of finance to farmers. 76.11 percent feel easy to get loan from CBI. 52.78 percent farmers got loan within 15 days and 42.78 percent got in one month from the date of application.

33. 45 percent farmers borrowed Rs. 50,000 to 1.5 lakh loan, 27.78 percent farmers borrowed upto Rs. 50,000. 21.11 percent farmers have borrowed more than 1.5 lakh to 3 lakh. It reveals that maximum farmers have upto 3 lakh borrowing capacity.

34. Maximum farmers have borrowed loan for crop loan purpose i.e. 35.56 percent. 22.22 percent to purchase cattle, 13.88 percent to dug wells / tube wells, 13.34 percent for pipeline. It means crop loan borrowers and dairy activity borrowers are more in number.

35. 93.89 percent farmers felt that CBI executives are co-operative in nature, 95 percent farmers said that bank executives provide detail information to them. It means maximum farmers are satisfied with the bank.

36. Bank executives regulate the use of loan amount by always visiting the farmers by enquiring them.

37. 96.66 percent farmers feel that their annual turnover of farming has increased due to the financial assistance of CBI.

38. Standard of living is one of the criteria of development. Seven improvement indicators were used for measuring
the standard of living. It reveals that 76.11 percent farmers live in cement concrete house and 23.88 percent live in tiled / tin roof house.

97.77 percent farmers posses two wheelers of their own and 43.88 percent have four wheelers and 95.55 percent farmers posses modern agriculture equipments.

92.77 percent farmers have ATM cards, 96.66 percent farmers have mobile phones, 71.11 percent have consumer durables. 95.55 percent farmers say that their income has increased. It means that the standard of living of farmers has improved due to financial assistance by CBI.

39. Basic infrastructural facilities like road, water, electricity, primary education, private health care facility are available to maximum farmers. (i.e. more than 90 percent). Higher education facility is available only to 35 percent farmers. It means for agriculture development basic infrastructure is developed.

40. 93.33 percent farmers feel that CBI has performed an important role in agriculture sector and also in the development of Ahmednagar district.

E) Central Bank of India and Business Sector :

1. 'Business' is a wide term, which include activities like manufacturing of goods, trading (purchase and sales of goods), and services.

2. In Ahmednagar district there are 676 registered industries providing jobs to 24150 workers. There are
18 sugar factories producing 1689000 MT sugar. There are 8 M.I.D.C.s having more than 2500 units, and 4 co-operative industrial estates, having 523 industrial units.

3. CBI has implemented various schemes like, cent sahyog, cent kalyani, cent vyapari, cent rentals, cent liquid, cent mortgage, cent trade, cent personal gold loan scheme for the business sector. CBI has implemented govt. sponsored schemes like SJSY, SJSRY, PMRY, PMEGY, schemes under MPBCDC, LASDC, LIDCOM, VJNTDC, KVIB/ KVIC, OBC, SEMFEX, Swarozgar credit card, artisan credit card schemes for this sector.

4. CBI's performance in govt-sponsored schemes is satisfactory.

5. District credit plan of Ahmednagar district shows that 10 percent to 20 percent weightage has been given on SSI, trade and other priority sector in the past 10 yrs (2001-02 to 2010-11). Every year plan figures have increased in SSI and trade and other priority sector except 2003-04.

6. Under DCP, SSI sector loan distribution target was not achieved by banking institutions except 2009-10. In Trade and other priority, many times the target was achieved from 2001-02 to 2010-11.

7. CBI's credit plan for last 10 yrs (2001-02 to 2010-11) shows that equal weightage has been given to SSI and trade and other priority sector in Ahmednagar.

8. CBI's SSI credit plan is divided into handloom / power loom, tiny sector, village industries, rural artisans, SSI
and miscellaneous. Maximum finance has been given Tiny sector, rural artisans and SSI.

9. CBI's 'Trade and Other Priority' credit plan is divided into Transport Operator. Trade/small business, Professional / self employment, Education loan, Housing, consumption, other priority.

    Maximum weightage has been given to Trade / Small business activity during last 10 years (2001-02 to 2010-11).

10. CBI's Loan distribution to SSI for these 10 yrs is not upto mark except 2003-04 (133.69 percent) year 2005-06, 2009-10 scores lowest achievement in SSI sector in the district.

    In trade and other priority loan distributed for 10 yrs is satisfactory. In year 2008-09, CBI shows spectacular achievement of 112.42 percent. Overall loan distributed to trade and other priority sector is good.

11. Recovery performance of CBI in SSI sector is critical in percentage. There is a very low recovery rate. In case of 'Trade and other priority sector' the bank shows average recovery rate of 37.73 percent, 54.25 percent, 25 percent during the year 2003-04, 2005-06 and 2006-07 respectively.

12. In Ahmednagar district, there are 42 large scale industries, 75 large and medium and 4903 small scale industries.

    42 large scale units are providing job to 3448 supervisors and 18413 employees, total 21861 workers.
Out of which the Ahmednagar block is having 20 units with 6873 workers, 8 M.I.D.C.s (6 developed) with 1638.15 hectar area, 4 co-operative industrial estates with 523 units and 5,895 employees.

13. Business activity has developed in large scale in Ahmednagar district. It includes business groups like, agri, mining, goods manufacture, electricity, L.P.G. and water supply, building construction, hotels, transport, communication, retailing, whole selling, finance, fixed assets and business services. As a result of which no. of workers working in such activities has also increased.

14. Other business activities like, horticulture, nursery, dairy, food processing, bakery, distillery, floor and pulses mills, tobacco processing, textile, weaving, leather products, furniture, chemicals, rubber, plastic, glass, metal / fabrication, electronics, automobiles, printing are also developed in the district.

15. In Ahmednagar district, there are total 36,203 traders providing job to 15994 workers, 13275 mercantile activities with 16701 workers, 2954 hotels with 7841 workers, 43 entertainment services with 197 workers, 297 services with 1153 workers. Maximum business firms are situated in Ahmednagar block.

16. CBI has performed an important role in the business sector finance through industrial finance, trade and services finance, infrastructural development finance, self-employment, entrepreneurship development, rural
industries finance and employment generation in Ahmednagar district.

17. 180 business sector borrowers were randomly selected from 6 branches of CBI. They are divided into three categories namely- manufacturing (39), Trading (118), Services (23) borrowers. 158 borrowers (87.77 percent) are men and 22 (12.22 percent) are women.

18. Majority business sector borrowers (37.77 percent) are from age group 31 to 45 yrs, 31.11 percent are from 18 to 30 yrs, 23.88 percent are from 46 to 60 yrs and only 7.22 percent are from 61 above age group. It means age is not barrier to start any business.

19. 37.22 percent borrowers are educated upto 10th standard, 27.77 are post-graduate, 23.33 percent are graduates and 11.66 percent borrowers of the bank have their education between 10th and 12th standard. 81.66 percent have taken scientific knowledge / training for business. It means maximum borrowers are educated and having technical knowledge of business activity.

20. Annual income category show that 42.77 percent borrowers belong to Rs. 1.5 to 3 Lakh, 28.33 percent belongs to Rs. 3 to 5 lakh and 18.33 belongs to upto Rs. 50,000 category.

21. 67.78 percent borrowers had entered in newly started business. Majority (57.77 percent) borrowers have individual business activity, 32.78 percent belongs to traditional joint family business activity. The percentage of youngsters who have entered in business activity due to unemployment is 34.44 percent, family
business is 32.22 percent and by their own choice is (21.11 percent).

22. CBI's finance is the major source of finance for the business borrowers. 48.34 percent choose co-operative societies, 40.56 percent choose other banks after CBI.

23. 77.77 percent businessmen experienced that their loan was sanctioned within 15 days by the CBI. 68.88 percent businessmen are satisfied with sanctioned amount.

24. 57.22 percent borrowers from the business sector are aware of 'Lead Bank' status of CBI. Maximum (68.33 percent) borrowers have the knowledge of schemes of bank and have compare CBI with other banks.

25. The percentage of the business sector borrowers who came to know about CBI through other businessmen is 59.44 percent and through relatives is 21.11 percent.

26. 46.11 percent borrowers have selected CBI because of its reputation, 37.22 percent have selected due to the lead role of CBI.

27. The maximum borrowers i.e. 40.56 percent have borrowed the amount between Rs. 50,000 to 2 lakh loan from the bank, 32.22 percent have borrowed Rs. 5 lakh to 10 lakh, 12.22 percent Rs. 2 to 5 lakh and only 3.34 percent have borrowed Rs. 25 lakh above loan amount from the bank. It denotes the loan borrowing capacity of business sector.

28. 96.11 percent borrowers are using the loan amount properly and 92.77 percent borrowers don't have
problem in repayment. It means they are regularly repaying the loan.

29. 93.88 percent borrowers tell that the bank executives readily give the detailed information to them and 92.23 percent stated that executives of CBI are co-operative in nature. 93.88 percent borrowers says that, the executives regulate the utilization of the sanctioned loan amount by visiting to them occasionally. 73.88 percent borrowers feels that CBI's schemes are useful and advantageous to them.

30. 96.12 percent business sector borrowers feels that, their business turnover and production has increased due to the financial assistance of the CBI.

31. The standard of living of these borrowers is an indicator of this development process. Ten improvement indicators were used to measure the impact on standard of living. 99.4 percent borrowers have the vehicles of their own, 49.44 percent have obtained club membership, 100 percent have mobile phone, 98.33 percent use ATM facility, 93.33 percent have credit cards, 97.77 percent have consumer durables, 93.33 percent told that their wealth has increased, 96.11 percent have better housing condition, 90.55 percent have good no. of assets and 16.11 percent had an opportunity of foreign tours.

It means that the standard of living of business sector borrowers has improved due to the financial assistance of CBI.
32. 93.88 percent borrowers felt that CBI has contributed in the development of business sector and 98.88 percent borrowers shared the view that CBI has played an important role in the development of Ahmednagar district.

33. The selected 12 branches have 67 employees including 19 executives, 26 clerks and 20 sub-staff members of CBI in Ahmednagar. However, 83.34 percent branches face problem of lack of employees as compared to work.

34. 25 percent branches of CBI provide ATM facility.

35. Out of sample selected bank branches 83.33 percent branches follow priority percentage rules of RBI. Nagapur and Ahmednagar branches of CBI are Urban and industrial area branches.

36. 91.67 percent bank executives are facing problems like lack of education (illiteracy), staff shortage, loan recovery, technology, communication, co-ordination and lethargic tendency of borrowers.

37. 91.67 percent bank executives stated that the loan process of CBI is simple.

38. 91.66 percent bank executives opined that agriculture sector borrowers are irregular and business sector borrowers are regular in loan repayment. 83.34 percent bank executives experienced no difference in regularity in the repayment by men and women borrowers.

      58.33 percent executives stated that the loan recovery problem is there because CBI is a 'Nationalized Bank'. 
39. NPA percentage of selected branches (at the time of interview) was Ahmednagar 8 percent, Akole 4.5 percent, Ashwi 0.66 percent, Belvandi 3 percent, Kalas 5 percent, Kanhur 7 percent, Nagapur 0 percent, Parner 8.50 percent, Sangamner 6 percent, Shrigonda 8 percent, Shrirampur 6 percent and Ukkalgaon 4 percent.

The details of financial support given by the 12 selected branches shows that Ahmednagar and Nagapur branch financed to business sector and remaining 8 branches have provided maximum finance to the agriculture sector.

6.8. Suggestions:

1. Central Bank of India should restructure its loan schemes as per the changing cropping pattern. It should also increase the loan limit as per the requirement.

2. In case of allied activities to agriculture, the finance should be increased by Central Bank of India. The Bank should encourage farmers to construct warehouse, crop storage facility, equipments, tractors, technology installation, sprinkler/drip irrigation in large scale.

3. Agriculture sector borrowers are mostly busy in farming work which is hard. Hence, the bank should simplify the documentation and loan application procedure.

4. Requirements of irrigated and non-irrigated area farmers are totally different. Hence, the bank should give freedom to branch
manager to issue the loans as per the local requirement and potential.

5. If the bank executives encourage farmers to install agro based industries, cold storage plants, food processing plants, horticulture, green house, then the bank will get potential borrowers.

6. The Central Bank of India has financed satisfactorily to small scale industries, trading sector but finance to large scale and medium scale industries and to services should be increased in the changing scenario.

7. Business sector borrowers are not satisfied with the loan amount provided by the Central Bank of India. Hence, the limit of loan should be increased. Separate loan schemes should be structured as per the requirement for example, working capital, to purchase machinery, raw material.

8. Central Bank of India should recruit technically educated staff. As compared to the amount of work, current staff is not sufficient. Hence, it should be recruited by the bank. Also the bank should improve the infrastructure of its branches as the present infrastructure is not sufficient.

9. The bank should increase ATM counters for customer satisfaction.

10. Technical assistance to bank executives is essential. At field, branch managers are facing problems of technology and technical assistance.

11. Branch Managers are having extra workload. If such extra workload is shared by substitute, then manager's efficiency can be increased, which will result into the increase in the business of the bank.
12. Increase in NPA is always a problem for banks, CBI should review its recovery department and adapt effective recovery measures.

13. Loan schemes for agriculture sector should be flexible and branch managers should have the authority to make few changes as per the requirements of farmers. At the same time the responsibility of recovery of loan should be fixed with managers.

14. Internet banking and mobile banking is necessary requirement in changing time. Hence bank should make its customers aware of such technologies for the easy working of bank. Banks should encourage customers for mobile banking.

15. For smooth working and communication with customers, it is suggested that, the branches should be staffed with local educated people.

16. Branches should be located at convenient places. Many times the customers of the bank find it difficult to approach the branch and employees should feel at comfort while working in office, which affects efficiency of employees.

17. CBI needs to adapt proper policy regarding the transfer of employees. Frequent migration from one place to other affect the work psychology of employees.

18. Banking procedure should be simplified, it should not be a lengthy. The bank executives should provide full information to the customers.

19. The bank should employ technical staff to guide borrowers properly after sanctioning of the loan so as to insure proper utilization of the loan amount.

20. The bank should review and communicate industrial units at periodical intervals for prospective customers.
21. Small scale industries is wide scope area for banking business, CBI should investigate in industrial zone for financing. Through which the bank can encourage entrepreneurship.

22. For deposit mobilization and to create banking habit, the bank should organize awareness programs from time to time in rural area.

23. The bank has to encourage women to install business by implementing special women entrepreneurship program.

24. CBI is the lead bank of the district and to perform new challenge of financial inclusion, it is suggested to the bank to implement concrete steps like business correspondence, facilitator, credit counseling centers.